



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Annexation Agreement with San Joaquin County

**MEETING DATE:** August 7, 1996

**SUBMITTED BY:** City Manager

**RECOMMENDED ACTION:** That the City Council approve the attached Annexation Agreement with San Joaquin County and authorize the City Manager to sign the agreement.

**BACKGROUND INFORMATION:** The attached Memorandum dated July 30, 1996, is provided to give the background to this recommendation. As discussed in the Memorandum, the approval of this agreement will not have an immediate impact on Lodi's property tax revenues. Currently, Lodi has approximately a 5-year inventory of undeveloped land. As such, Lodi does not need to annex new territory for some time unless for a special project. Even then, the shift of property tax revenue from Lodi to the County will be gradual and will require several years before it is a significant sum of money.

The long-term solution to the County's fiscal problems will have to be solved by the State at some time in the future. Like all California counties, there are not sufficient revenues to maintain services at a level to which the residents of California have become accustomed. However, the solution to the problems faced by counties will not be achieved by "begging" cities. This will only result in shifting the fiscal crises to the cities.

**FUNDING:** None

Respectfully submitted,

H. Dixon Flynn  
City Manager

HDF:br

APPROVED: \_\_\_\_\_

H. Dixon Flynn -- City Manager



## MEMORANDUM

TO: Mayor and City Council

FROM: Dixon Flynn, City Manager

DATE: July 31, 1996

SUBJECT: Annexation Agreement with San Joaquin County

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### PURPOSE

This is an information paper to update you on the current status of negotiations between the City Managers of San Joaquin County and the County Administrator regarding the property tax allocation formula used for annexation of new territory. No action is required by Council. This report will be brought to the regular Council meeting on August 7, 1996, for discussion and action.

### BACKGROUND

As provided in the revenue and taxation code, a city and county are required to establish an annexation agreement on the distribution of "property tax revenue" before an annexation may be approved by the Local Agency Formation Commission. The agreement may be negotiated on an "annexation-by-annexation" basis, as a master agreement between the city and county or as a master agreement on a county-wide basis. The method, term and form of the agreement is up to the local agencies involved.

In 1980, the County and cities agreed to a master county-wide agreement (Exhibit 1). This agreement ensured a uniform and equitable distribution of property tax between the cities and the County; and, as such, was an agreement easy to administer and understand. Under this agreement, the County received 63.4% of the property tax (local government share) and cities received 36.6%. The local government share is that tax which does not include the property tax for schools (approximately 50%) or special districts (approximately 10%).

This agreement was terminated by the County Board of Supervisors on December 12, 1995, effective June 16, 1996.

### COUNTY'S JUSTIFICATION AND POSITION

The reason given by the County for this action was their concern that municipal annexations and redevelopment projects have been capturing County revenues, while at the same time population in cities have been adding to County service burdens in welfare, health and criminal justice. Given the demographic projections of urban growth in San Joaquin County over the next twenty-five years, the loss of revenues when cities annex new territory and the recent shift of property tax to schools, the County is justified in their concern.

To increase revenues, San Joaquin County is now looking at State rules which offer counties the opportunity to increase revenues. These rules allow counties to promote economic development in unincorporated areas to build the County's tax base and getting voter approval for County-wide sales tax increases. In addition, State rules allow counties to require city cooperation on sharing revenues. At least five forms of revenue sharing is allowed and which are actively promoted by the California State Association of Counties (CSAC). These include:

1. Property tax agreements for annexations
2. Sales tax sharing
3. Redevelopment pass-throughs
4. Transient occupancy tax and municipal court fine sharing
5. City collection of County development fees

For the most part, these rules, like unfunded mandates, shift the burden of financing regional services from the County to the cities and relieve the County from the risks associated with proposing new tax measures. Based on these rules and the fact that many counties have been successful in negotiating new revenue sharing agreements with their cities, San Joaquin County submitted the following proposals in March, 1996, to the San Joaquin County City Managers, as follows:

1. Cities will give the County 100% of the property tax (local government share) in newly annexed territory plus other revenues necessary to offset the remaining deficiencies needed to finance regional services (sales tax, transient occupancy tax, business license tax, utility users tax, etc.);
2. Cities will collect development impact fees for County-wide capital facilities; and
3. Cities will fund the regional transportation system.

The County Administrative Officer justified this proposal on a fiscal impact analysis prepared by his office. This analysis concluded that the County should receive "115%" of property tax on newly annexed territory to finance regional services.

#### CITY MANAGERS' POSITION

The City Managers rejected this proposal and the analysis prepared by the County and responded with the following proposal after several weeks of discussion and meetings:

1. Cities will agree to a 75%/25% split of property tax (local government share), with the County receiving 75% and cities receiving 25%;
2. No city will receive less than 4.25% of the total property tax.;
3. Cities will not shift other revenues to the County except on annexation of developed property where these revenues exist at the time of annexation (sales tax, TOT, business license tax, etc.);
4. Annexations which were being processed on December 12, 1995, will be negotiated separately and resolved prior to any agreement approved by the cities; and
5. The cities of Ripon and Escalon will be given special consideration due to their size and high level of dependence on property tax revenue.

#### FINAL AGREEMENT AND CITY MANAGER'S COMMENT

A final agreement was reached on July 16 (Exhibit 2). This agreement reflects the proposal made by the City Managers as outlined above and was contingent on the County working out separate agreements with Lathrop, Tracy and Manteca, regarding annexations that were being processed by these cities on December 12, 1995.

While this agreement reduces the property tax Lodi will receive on newly annexed territory, it does not give other revenues to the County and does not bind Lodi to collecting county-wide impact fees. While I am not happy with the fact that Lodi will receive less property tax revenue in the future, this agreement will not have a negative impact on the City for several years. Hopefully, by then, the State will have developed a more realistic solution to the fiscal problems faced by counties.

Whether the agreement negotiated by the City Managers is acceptable to the City Council will be decided August 7, 1996. It may be possible for the City Council to negotiate a better agreement. If you believe this possible, I encourage the Council to reject the proposed agreement and open negotiations with the County. However, I believe this agreement is the best agreement which can be negotiated at this time.

Respectfully submitted,



Dixon Flynn  
City Manager

DF:br

attachments

Office of the  
County Administrator



Exhibit 1

A handwritten signature in dark ink, possibly reading "S".

**COUNTY OF SAN JOAQUIN**

Courthouse, Room 707  
222 East Weber Avenue  
Stockton, California 95202-2778  
(209) 468-3211

July 22, 1996

**RECEIVED**

**JUL 23 1996**

**CITY MANAGER ☐**  
**CITY OF STOCKTON**

All City Managers

Dear City Managers:

**County Draft #8: Agreement for Property Tax Allocation Upon Annexation**

The attached County Draft #8 (7/22/96) includes the revisions suggested at our joint meeting on July 16. The revisions are summarized as follows:

1. *Introduction, Notices, Signature Page, and City references* have been revised and *Counterpart*, Section 15, has been added to reflect that this is a multi-party agreement.
2. *Total Property Tax Base*, Section 1B, has been deleted as this term is no longer used.
3. *Allocations for Manteca*, for the Austin Road annexations, are specified in Section 2E.
4. *Exclusion of cities* that do not execute the agreement is provided in Section 5D.
5. *Change in financial responsibility* language has been deleted from Section 6.
6. *Termination* provisions have been revised in Section 7 to refer to the Certificate of Filing. This will allow cities as much time as necessary, beyond the termination date, to complete annexations that are in progress.

It is our understanding that any city comments on Draft #8 will be coordinated through Dwane Milnes. He will also be our contact to determine whether an additional meeting is required to finalize the agreement. When the draft is determined to be acceptable, we will prepare 7 originals for the adoption process. At the same time, we request that you jointly sign a letter that recommends adoption of the agreement by the cities and the County. We have reviewed and approved a draft of that letter prepared by Dwane.

Please feel free to contact Rich Laiblin about any refinements. Thank you for your assistance.

Very truly yours,

A handwritten signature in dark ink, likely of David L. Baker.

David L. Baker  
County Administrator

DLB:R/Lst  
Attachment  
c: County Counsel

DB07-23

**Agreement For  
Property Tax Allocation Upon Annexation**

County Draft #8  
(7/22/96)  
Compared to Draft #7

AGREEMENT entered into this 6th day of ~~July~~ August 1996 by and between the City Cities of Escalon, Lodi, Manteca, Ripon, Stockton, and Tracy, hereinafter referred to individually as "CITY" and collectively as "CITIES", and the County of San Joaquin, hereinafter referred to as "COUNTY";

**PREAMBLE:**

~~The CITY CITIES~~ and COUNTY acknowledge that both the ~~CITY CITIES~~ and COUNTY have increasing service responsibilities with restrained revenue resources. There is no consensus between ~~the cities in the County of San Joaquin CITIES~~ and the COUNTY regarding the analysis of local government funding issues arising from annexations. ~~The cities CITIES~~ and COUNTY each have their own distinctive and differing perspectives on costs and revenues generated by annexed areas. However, there is a statutory requirement for a Property Tax Allocation Agreement for the Local Agency Formation Commission to annex land.

**WITNESSETH:**

WHEREAS, Article 13A, Section 1 of the Constitution of the State of California limits ad valorem taxes on real property to one percent (1%) of full cash value; and

WHEREAS, Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code (Sections 95 et. seq.) provides for the allocation of property tax revenues; and

WHEREAS, ~~CITY CITIES~~ and COUNTY must have an agreement for the allocation of property tax revenues upon annexation.

NOW, THEREFORE, in consideration of the premises and the following terms and conditions, the parties hereto agree as follows:

C. Annexations by the cities of Ripon and Escalon. Notwithstanding Subsections 2A and 2B, if the current population of the city is 20,000 or less, based on the most recent estimates published by the California State Department of Finance, property tax allocation for annexations conducted by the cities of Ripon and Escalon shall be determined by this Subsection, subject to the exclusion provided in Subsection 5C. CITY and COUNTY shall, upon each annexation, share in the Annexation Property Tax Base and all Incremental Growth thereof pursuant to the ratio of 36.6% CITY and 63.4% COUNTY.

D. Annexation by the City of Tracy of Northeast Industrial and Elissagaray Estates areas. Notwithstanding Subsections 2A and 2B, property tax allocation for annexations to the City of Tracy of the Northeast Industrial area and the Elissagaray Estates area shall be determined by this Subsection. CITY and COUNTY shall, upon each annexation, share in the Annexation Property Tax Base and all Incremental Growth thereof pursuant to the ratio of 20% CITY and 80% COUNTY.

E. Annexation by the City of Manteca of Austin Road North and Austin Road South areas. Notwithstanding Subsections 2A and 2B, property tax allocation for annexations to the City of Manteca of the Austin Road North area and the Austin Road South area shall be determined by this Subsection. CITY and COUNTY shall, upon each annexation, share in the Annexation Property Tax Base and all Incremental Growth thereof pursuant to the ratio of 20% CITY and 80% COUNTY.

### 3. APPLICATION OF AGREEMENT.

A. Term. The provisions of this Agreement shall apply to all pending and future annexations as of June 16, 1996 and for a period of seven (7) years until June 15, 2003, unless otherwise terminated under Section 7.

B. Effective date. The effective date of property tax allocation for each annexation shall be determined in accordance with Government Code Section 54902 and any succeeding statutory provisions. As of June 16, 1996, statements regarding the completion of annexations must be filed on or before December 1 of the year immediately preceding the year in which property taxes are to be shared.

6. REGIONAL COOPERATION.

~~A. CITY and COUNTY agree to meet and discuss State or local property tax law changes, which result in a major change in financial responsibility between the CITY and COUNTY.~~

B. In consideration of the unique and mutual funding difficulties of both ~~the CITY~~ CITIES and the COUNTY, ~~CITY CITIES~~ and COUNTY will jointly develop and seek to implement changes in their activities which will improve the cost effectiveness of service delivery by both ~~the CITY CITIES~~ and COUNTY, including but not limited to consolidation of services between governmental agencies and inter-agency contracting for services.

7. TERMINATION.

This Agreement may be terminated, by either any party hereto upon 6 months written notice which termination shall terminate the agreement for each and every party. Said termination shall not affect annexations for which the LAFCo Executive Officer has issued a certificate of completion filing prior to the effective date of termination end of the 6 month termination period.

8. GOVERNING LAW AND ATTORNEYS' FEES.

This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party because of any default under this Agreement or to enforce any provision of this Agreement, or to obtain a declaration of rights hereunder, the prevailing party shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court. The standard of review for determining whether a default has occurred under this Agreement shall be the standard generally applicable to contractual obligations in California.

9. NOTICES.

Any notice of communication required hereunder ~~between CITY~~ among CITIES and COUNTY must be in writing, and may be given either personally, by telefacsimile (with original forwarded by regular U.S. Mail) or by Federal Express or other similar courier promising overnight delivery. If personally delivered, a notice or communication shall be



City of Stockton  
Dwane Milnes  
City Hall  
425 N. El Dorado St.  
Stockton, CA 95202  
Telefacsimile: 937-7149

City of Tracy  
Fred Diaz  
City Hall  
325 E. 10th Street  
Tracy, CA 95376  
Telefacsimile: 831-4110

City of Stockton  
R. Thomas Harris  
City Hall  
425 N. El Dorado St.  
Stockton, CA 95202  
Telefacsimile: 937-8898

City of Tracy  
Debra Corbett  
City Hall  
325 E. 10th Street  
Tracy, CA 95376  
Telefacsimile: 831-4153

**To COUNTY:**

County Administrator

David L. Baker  
Courthouse, Room 707  
222 E. Weber Avenue  
Stockton, California 9520  
Telefacsimile: (209) 468-2875

**With Copies To:**

County Counsel

Terrence R. Dermody  
Courthouse, Room 711  
222 E. Weber Avenue  
Stockton, California 95202  
Telefacsimile: (209) 468-2875

Any party hereto may at any time, by giving ten (10) days written notice to the other parties, designate any other address or facsimile number in substitution of the address or facsimile number to which such notice or communication shall be given.

**10. SEVERABILITY.**

If any provision of this Agreement is held invalid, void, or unenforceable but the remainder of this Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended by mutual consent of the parties. Notwithstanding this severability clause, each subsection of Section 2. Property Tax Allocation and Section 5. Exclusions, is material and substantial and the failure of said subsection is the failure of material consideration, causing the agreement to be void from the date that the subsection is held invalid.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Recommended:

As To Form:

Execution:

Attest:

**COUNTY**

\_\_\_\_\_  
David L. Baker  
County Administrator

\_\_\_\_\_  
Terrence R. Dermody  
County Counsel

\_\_\_\_\_  
Robert J. Cabral  
Board of Supervisors

\_\_\_\_\_  
Lois M. Sahyoun, Clerk  
Board of Supervisors

Date: \_\_\_\_\_

**CITIES**

**Escalon**

\_\_\_\_\_  
Thom Clark  
City Manager

\_\_\_\_\_  
James Fonda  
City Attorney

\_\_\_\_\_  
David C. Ennis  
Mayor

\_\_\_\_\_  
Karen Dodd  
City Clerk

Date: \_\_\_\_\_

**Lodi**

\_\_\_\_\_  
H. Dixon Flynn  
City Manager

\_\_\_\_\_  
Randall Hayes  
City Attorney

\_\_\_\_\_  
David Warner  
Mayor

\_\_\_\_\_  
Jacqueline Taylor  
City Clerk

Date: \_\_\_\_\_

**Manteca**

\_\_\_\_\_  
Leticia Espinoza  
Acting City Manager

\_\_\_\_\_  
John Brinton  
City Attorney

\_\_\_\_\_  
Bill Perry  
Mayor

\_\_\_\_\_  
Joann Tilton  
City Clerk

Date: \_\_\_\_\_

**Ripon**

\_\_\_\_\_  
Leon Compton  
City Administrator

\_\_\_\_\_  
Tom Terpstra  
City Attorney

\_\_\_\_\_  
Jack DeSelle  
Mayor

\_\_\_\_\_  
Lynette Van Laar  
City Clerk

Date: \_\_\_\_\_

**Stockton**

\_\_\_\_\_  
Dwane Milnes  
City Manager

\_\_\_\_\_  
R. Thomas Harris  
City Attorney

\_\_\_\_\_  
Joan Darrah  
Mayor

\_\_\_\_\_  
Katherine Gong Meissner  
City Clerk

Date: \_\_\_\_\_

**Tracy**

\_\_\_\_\_  
Fred Diaz  
City Manager

\_\_\_\_\_  
Debra Corbett  
City Attorney

\_\_\_\_\_  
Dan Bilbrey  
Mayor

\_\_\_\_\_  
Sharon Smith  
City Clerk

Date: \_\_\_\_\_

DB07-21A

Annexation Agreement—San Joaquin County

—9—

7/22/96

ADOPTED BY ALL CITIES  
AGREEMENT AND COUNTY

FOR

PROPERTY TAX ALLOCATION UPON ANNEXATION

Exhibit 2

AGREEMENT entered into this 15th day of October, 1980, by and between the City of Lodi hereinafter referred to as "CITY" and the County of San Joaquin, hereinafter referred to as "COUNTY".

W I T N E S S E T H:

WHEREAS, Article 13A, Section 1 of the Constitution of the State of California limits ad valorem taxes on real property to one percent (1%) of full cash value; and

WHEREAS, Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code (Sections 95 et. seq.) provides for the allocation of property tax revenues; and

WHEREAS, CITY and COUNTY wish to provide for the equitable allocation of property tax revenues upon annexation.

NOW, THEREFORE, in consideration of the premises and the following terms and conditions, the parties hereto agree as follows:

1. DEFINITIONS. The following words and phrases shall have the meanings in this agreement as set forth:

A. "Property Tax Base" shall mean the base year sum of the ad valorem tax allocated to Special Districts and to COUNTY within the area being annexed.

Post-It® Fax Note	7671	Date	6.3.96	# of pages	4
To	Konradt Bartlam	From	Gerald Scott		
cc	Comm. Dev. Div.	Co.	LAFCO		
Phone #		Phone #	468-3198		
Fax #	333-6842	Fax #	468-3163		

-1-

JUN-03-1996 09:25

209 468 3330

92%

P.01

B. "Special Districts" shall mean those political subdivisions organized pursuant to the laws of the State of California whose functions within the area being annexed are terminated and/or <sup>assessed</sup> assessed by CITY.

C. "Historical average ratio" shall mean the ratio of 36.6% CITY and 63.4% COUNTY.

D. "Base year" shall mean the assessed valuation applicable to the property and improvements within the area being annexed at the time the application for annexation is submitted to LAFCO.

E. "Incremental growth" shall mean the total increase or decrease in the property tax base over the base year.

2. PROPERTY TAX ALLOCATION.

A. CITY and COUNTY shall, upon each annexation, share in the property tax base and all incremental growth thereof pursuant to the historical average ratio.

B. Future property taxes. The historical average ratio would also apply to any property exempt from ad valorem taxes which subsequently became taxable.

C. Application. The allocation set forth in Paragraph 2.A. shall apply to all pending and future annexations and, in the absence of an applicable property tax allocation agreement, to all annexations completed subsequent to January 1, 1978.

3. EFFECTIVE DATE OF ALLOCATION.

A. Annexations completed prior to December 31st of any calendar year shall share in property tax effective July 1st of the next succeeding fiscal year, except for the following:

1. All annexations completed prior to January 1st, 1980, shall share in property tax effective July 1st, 1980, except that

2. In no event will property tax be allocated to a city prior to the date that the city assumes responsibility for providing services in the annexed area.

4. TERMINATION. This agreement may be terminated on or after June 30, 1983, by either party hereto upon six (6) months written notice. Said termination shall effect the Property Tax Allocations as set forth in Paragraph 2 hereof of annexations which are completed subsequent to the effective date of termination.

APPROVED by Resolution No. 86-112 duly adopted by the  
City of Lodi on October 15, 1980 and Resolution No. 90-143  
duly adopted by the County of San Joaquin on October 15,  
1980.

ATTEST

Alice M. Retmche  
ALICE M. RETMCHE  
City Clerk

CITY OF LODI

Walter J. Katnich  
WALTER J. KATNICH  
Mayor, City of Lodi

Approved as to form

Ronald M. Stein  
RONALD M. STEIN  
City Attorney

COUNTY OF SAN JOAQUIN

ATTEST

Cindy Dubois  
Deputy ~~County~~ Clerk



By Adrian Fondse  
ADRIAN FONDSE  
Chairman, Board of Supervisors

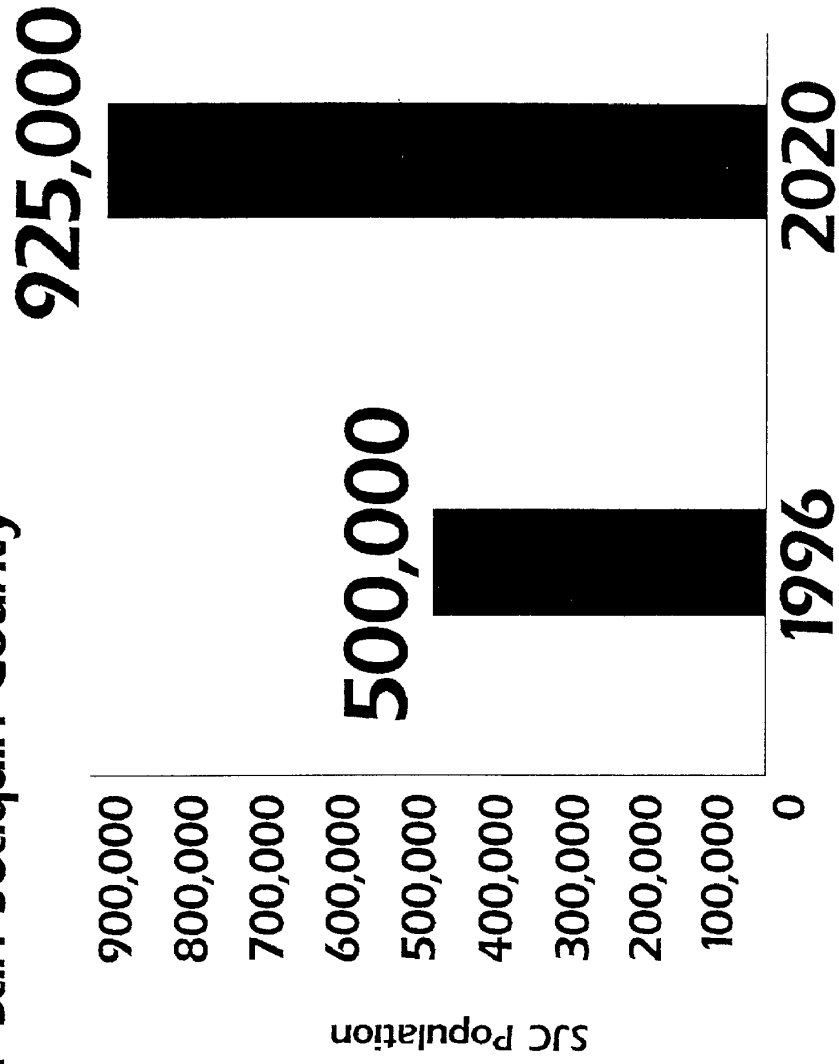
Approved as to form

Michael McGraw  
Deputy County Counsel

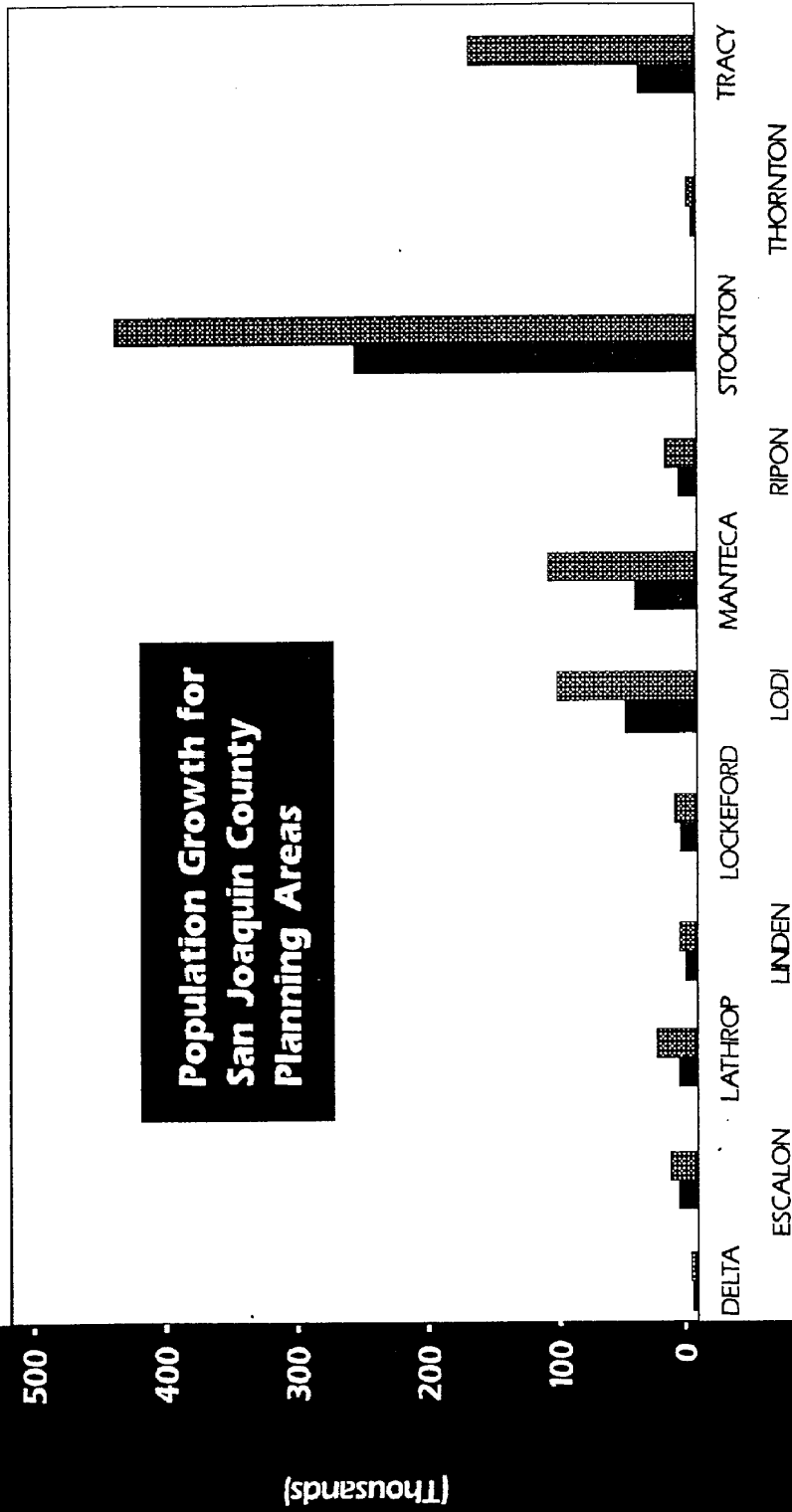
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# Population Projections

for San Joaquin County



# Population Projections



San Joaquin Council of Governments



# **Goals of the Regional Transportation Plan**

for San Joaquin County

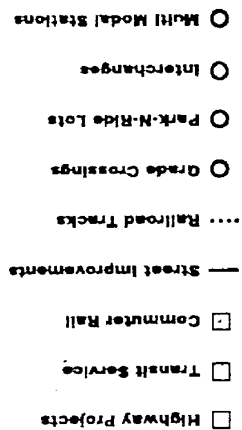
## **25-Year Transportation Improvement Plan to:**

**Maintain Existing Infrastructure**

**Provide Incremental Improvements  
to Keep Pace with Growth**

**San Joaquin Council of Governments**

## TRANSPORTATION PROJECTS &amp; SERVICES PLANNED FOR COMPLETION 1996 - 2020



## **Projects Benefiting Lodi**

### **City Sponsored Projects**

SR-99 at Kettleman (SR-12) Interchange, Realign ramps,

Replace overcrossing, Widen Kettleman

Elm Street, Add continuous turn lane, Lower Sacramento to Hutchins

Lower Sacramento Road, Widen to 4 lanes, Turner to SR-12

SR-12, Widen to 6 lanes, West City limit to SR-99

SR-12 (Victor Road), Widen to 4 lanes, SR-99 to East City Limits

Railroad Grade Crossing: Lodi Avenue at SPRR,

Construct 4 lane urban street underpass

Park and Ride Lots:

Cal Skate - Cherokee Lane

Lower Sacramento at Kettleman Lane

**San Joaquin Council of Governments**

## **Projects Benefiting Lodi**

### **City Sponsored Projects, continued**

Multimodal Station

Bicycle Paths and Lanes:

Harney Lane, Lower Sacramento Road to SR-99  
west Frontage Road

Hutchins Street, Harney Lane to Holly Drive

Lodi Loop Trail

Lower Sacramento Road, Lodi City Limits

Turner Road, Lodi City Limits

Local Bus and Dial-A-Ride service - upgrades

**San Joaquin Council of Governments**

## **Projects Benefiting Lodi**

### **Other Projects in the Lodi Planning Area**

SR-12, Passing lanes on Bouldin Island

SR-12 at I-5, Signals, turn lane widening to 4 lanes

SR-88- the Lockeford Bypass, Preliminary Engineering  
and Environmental Analysis for a Bypass

Armstrong Road, Widen to 4 lanes, West Lane to SR-99

Cherokee, Widen to 6 lanes, SR-99 to Canal

Harney Lane, Widen to 4 lanes:

Lower Sacramento Road to Davis

East City limit to SR-99

Lower Sacramento Road, Widen to 4 lanes: Eight Mile to SR-12;

Peltier to Sacramento County Line; and Eilers to Mokelumne

**San Joaquin Council of Governments**

## **Projects Benefiting Lodi**

### **Other Projects in the Lodi Planning Area, cont.**

Thornton Road, Widen to 4 lanes: Eight Mile to SR-12

Thornton Road, Widen to 8 lanes: Davis to Eight Mile

Turner Road, Widen to 4 lanes, Lodi City limit to Guild

Park-and-Ride lots: SR-99 at SR-12 (Victor Road); and

I-5 at SR-12 and Thornton Road

Countywide Traffic Flow Improvements: Signal, Operation and

Intersection Improvements to smooth traffic flow

Voluntary Ridesharing through Commute Connection

Intercity and Interregional Bus Service

Countywide Dial-A-Ride Service

**San Joaquin Council of Governments**

## **Projects Benefiting Lodi**

### **Other Projects in the Lodi Planning Area, cont.**

Track Work for Rail Service

Rail Service to Sacramento and the Bay Area

Transportation Systems Management: Freeway Service Patrols

SP Kentucky House Spur Right-of-Way: Acquire for future  
Transportation or Recreation use

Regional Rural Bicycle Lanes and Paths:

Lower Sacramento - Bear Creek to Harney, Turner to  
Sacramento County Line

SR-12, Sacramento County line to Amador County Line

SR-88, SR-99 to Amador County Line

SR-99, west Frontage Road, Harney Lane south to Wilson Way

**San Joaquin Council of Governments**

# **Critical Unfunded Projects**

**for San Joaquin County**

**Expansion of Major Freeways  
(1-5, 1-205, & SR 99)**

**Maintenance of Local Infrastructure**

**Inability of Transit Service  
to Keep Pace with Growth**

**San Joaquin Council of Governments**



# **What Action Can Be Taken?**

**for San Joaquin County**

**Link Land Use to  
Transportation Network  
More Employer Involvement  
Individual Involvement**

**San Joaquin Council of Governments**

# Regional Transportation Plan

for San Joaquin County

FY 1996 - 2020

Unfunded Projects  
\$1.6+ Billion



RTP Projects  
\$2.5 Billion



Needs:  
\$4+ Billion

San Joaquin Council of Governments

# **Critical Transportation Components**

**for San Joaquin County**

**Regional Transportation Components Must...**

**Enhance System Efficiencies**

**Expand System Capacity**

**Reduce System Demand**

**Keep the Heat On**

**San Joaquin Council of Governments**

H-2

Office of the  
County Administrator**COUNTY OF SAN JOAQUIN**

Courthouse, Room 707  
222 East Weber Avenue  
Stockton, California 95202-2778  
(209) 468-3211

AUG 01 1995  
City Manager's Office

**Facsimile Transmittal**

Facsimile: (209) 468-2875

*Please deliver the following pages to:*

<i>Name</i>	<i>Company</i>	<i>Fax Number</i>
To <b>City Managers</b> of Escalon, Lodi, Manteca, Ripon, Stockton, and Tracy		

**Date & Time:**

August 1, 1996 3:24 PM

**From:**

DAVID L. BAKER, County Administrator

**# of Pages** (including this page):

15

**Subject:**

Agreement with the Cities of Escalon, Lodi, Manteca, Ripon,  
Stockton, and Tracy for Property Tax Allocation Upon  
Annexation

**Message:**

Office of the  
County Administrator



## COUNTY OF SAN JOAQUIN

Courthouse, Room 707  
222 East Weber Avenue  
Stockton, California 95202-2778  
(209) 468-3211 FAX: (209) 468-2875

July 31, 1996

Board of Supervisors  
Courthouse  
Stockton, CA

Dear Board Members:

**Agreement With The Cities Of  
Escalon, Lodi, Manteca, Ripon, Stockton, and Tracy  
For Property Tax Allocation Upon Annexation**

**Recommendation**

It is recommended that the Board of Supervisors authorize the Board Chairman to sign the attached *Agreement For Property Tax Allocation Upon Annexation* with the cities of Escalon, Lodi, Manteca, Ripon, Stockton, and Tracy.

**Reason for Recommendation**

On December 12, 1995, the Board approved the termination of agreements for property tax allocation upon annexation that existed with each city within San Joaquin County. Generally referred to as annexation agreements, the agreements had been executed with each city in 1980, with the exception of the City of Lathrop. The same agreement was executed with the City of Lathrop in 1990, following its incorporation. The terms of the agreements had not been comprehensively reviewed since 1980.

California annexation procedures require that property tax agreements be in place before the Local Agency Formation Commission (LAFCo) can process an annexation application. There are no requirements regarding the format or contents of an agreement, but an annexation can not be considered without one. Individual agreements can be executed for each annexation or a master agreement can be executed between a county and a city. The city managers of our seven cities expressed a strong preference for a Countywide annexation agreement.

On behalf of the County, staff has worked over the past seven months to negotiate a new annexation agreement with the cities. In recognition of negotiations that were already ongoing and the unique characteristics of the West Lathrop Specific Plan, a separate agreement with the City of Lathrop was executed on June 18.

The city managers and County staff have negotiated the attached *Agreement For Property Tax Allocation Upon Annexation* by and between the County and the Cities of Escalon, Lodi, Manteca, Ripon, Stockton, and Tracy.

**Board of Supervisors  
Agreement For Property Tax  
Allocation Upon Annexation**

**July 31, 1996  
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***Summary of Agreement***

The recommended Agreement acknowledges, in its preamble, that there is a lack of consensus between the City and County regarding the analysis of local government funding issues arising from annexations. However, to allow annexations to be processed by LAFCo, the Agreement is jointly recommended by the city managers and the County Administrator. A letter of recommendation from the managers of the six cities which are parties to this Agreement is attached.

It is recognized that the negotiated agreement only addresses the property tax allocation issue. It does not address other Board policy issues, such as water sufficiency, prematurity of annexations, and other urbanization issues.

The negotiated agreement is a technical, financial, and legal document. It contains the following major provisions:

***Property Tax Allocation***

1. Most annexations—sharing of reallocated property taxes (annexation pool) in the ratio of 90% County and 10% City.
2. No fire district detachment (City does not assume responsibility for fire services)—100% of annexation pool to County.
3. Ripon and Escalon—until City population reaches 20,000, 63.4% County and 36.6% City.
4. City of Tracy (Northeast Industrial & Elissagaray Estates)—80% County and 20% City.
5. City of Manteca (Austin Road North & Austin Road South)—80% County and 20% City.

***Term of Agreement***

6. Applies to annexations formally filed with LAFCo during the next seven years.

***Exclusions***

7. Annexation areas where the County is currently receiving Transient Occupancy Taxes or significant Sales Tax revenues will be individually negotiated to address the net impacts of those revenue losses to the County.
8. Annexations to Ripon or Escalon of over 150 acres will be individually negotiated.
9. Cities that decline to approve this Agreement within 60 days of its approval by the Board.

***Termination***

10. Any party may terminate upon six months written notice. Annexations that have been filed during the six month termination period, will be governed by the Agreement.

***Regional Cooperation***

11. Commitment to cost effective delivery of public services, including inter-jurisdictional consolidation and contractual arrangements.

Board of Supervisors  
Agreement For Property Tax  
Allocation Upon Annexation

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Page 3

*Summary of Benefits*

At the request of the city managers, the negotiation of revenue sharing under a new annexation agreement was limited to discussion of the relative shares of property taxes to be allocated to the cities and the County. At the outset of the negotiation process, the Board of Supervisors endorsed four major County objectives. Consequently, this Agreement needs to be measured against those original objectives. The benefits provided by the recommended Agreement are summarized for each objective as follows:

1. *Achieve fiscal neutrality by assuring that increases in regional service costs are offset with an appropriate share of new or existing revenues.*

Fiscal neutrality cannot be definitively measured without consensus regarding the financial implications of annexations. Annexations involve complex technical, financial, and legal issues. Reaching consensus on financial issues alone would require agreement about acceptable levels of municipal and regional services and assumptions about revenue forecasts. The cities and the County have different perspectives on costs and revenues generated by new development. However, the terms of the negotiated Agreement, taken as a whole, are recommended as being acceptable from a municipal and regional perspective. Although this Agreement cannot guarantee complete fiscal neutrality relative to development in annexed areas, it does provide revenues to offset the regional service demand generated by newly annexing areas.

2. *Maintain regional services at acceptable levels of service as population increases within the cities and the County.*

County staff has concluded that, within the focus of the negotiation process, this Agreement provides a fair-share contribution from newly annexing areas toward the maintenance of regional services at acceptable levels. The Agreement does not address development within already annexed areas. As long-term development occurs within cities, increased demand for regional services will be determined by the cumulative changes in the regional land-use pattern. The County has evaluated the Agreement within the current framework of local government service responsibilities and revenue sharing. That evaluation was also based on our current assumptions regarding costs and revenues. Staff has concluded that the negotiated Agreement will provide an appropriate level of support for regional services during its recommended term of seven years.

3. *Promote economic development by providing balanced and responsive public services and facilities throughout the County*

The Agreement provides additional revenues to the County in proportion to the value of additional development occurring within newly annexing areas. Consequently, economic development is promoted through maintaining a balance of public services and is enhanced by financial support for the regional services provided by the County.

4. *Promote fiscally responsible development policies to minimize fiscal competition and support rational land use and transportation planning.*

To the extent that development within cities produces a deficit for counties, generating more regional costs than revenues, counties may be fiscally motivated to encourage development in

**Board of Supervisors  
Agreement For Property Tax  
Allocation Upon Annexation**

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Page 4**

unincorporated areas. The recommended Agreement revises property tax allocations to generally offset such potential deficits in newly annexing areas within San Joaquin County. In addition, separate negotiations will occur for annexing areas where the County is currently receiving Transient Occupancy Taxes or significant Sales Tax revenues. These provisions promote fiscally responsible development policies and minimize fiscal competition.

One of the major benefits of the negotiation has been to focus attention on public service costs, financial capacities, revenue sensitivities, and promotion of regional cooperation. With this base established, a review of the entire annexation issue is recommended to commence with the beginning of the sixth year of this Agreement to determine needed adjustments for future agreements.


**Fiscal Impact**

The negotiated Agreement provides an incremental but significant step toward long-range financial support for the delivery of regional services. Fiscal mitigation of the impacts of development within newly annexing areas is part of the solution to maintaining acceptable levels of County-wide services. Those services are provided to all County residents, including those within cities. As development occurs, the negotiated Agreement will provide additional revenues to maintain regional services at somewhat more acceptable levels than would otherwise be possible.

**Action To Be Taken Following Approval**

Upon execution by the Chairman, originals of the Agreement will be circulated to each city council for their approval and execution. The fully executed Agreement will be transmitted to the LAFCo Executive Officer to be utilized as the reference for pending annexations and most new annexations filed during the next seven years. The Auditor will utilize the Agreement for the allocation of property taxes subsequent to the effective date of each annexation processed under the terms of the Agreement.

Very truly yours,

  
David L. Baker  
County Administrator

DLB:rjl  
Attachment  
c: Auditor-Controller  
County Counsel  
LAFCo  
City Managers  
Economic & Planning Systems  
Board Clerk for Agenda 8/6/96

BL96-77





OFFICE OF THE CITY MANAGER  
CITY HALL  
425 N. EL DORADO STREET  
STOCKTON, CA 95202-1997  
(209) 937-9313  
FAX (209) 937-7149

August 1, 1996

Mr. David Baker  
County Administrator  
222 East Weber Avenue, Room 707  
Stockton, CA 95202

Dear Mr. Baker:

The City Managers of the cities of San Joaquin County have been meeting with you to work out a new "agreement for property tax allocation upon annexation". As we concluded at our meeting with you on July 16, 1996, all of the City Managers of the cities within San Joaquin County concurred that we would recommend to our respective City Councils that they consider the attached "agreement for property tax allocation upon annexation" if it is first approved by the San Joaquin County Board of Supervisors. Having spent many weeks working out the details of the attached with you, we concurred that we would not recommend that our City Councils make any changes in the attached. We also concurred that any city which does not adopt the attached agreement would need to negotiate a separate "agreement for property tax allocation upon annexation" with the County while the attached would be effective for those cities which approve it.

We look forward to the early adoption of the attached "agreement for property tax allocation upon annexation" in its current form and language by the San Joaquin County Board of Supervisors.

Sincerely,

Dwane Milnes, Stockton City Manager

Thom Clark, Escalon City Manager

John M. Bingham, Lathrop City Manager

Leticia Espinoza, Manteca Acting C, Mgr.

Dixon Flynn, Lodi City Manager

Leon Compton, Ripon City Manager

Fred Diaz, Tracy City Manager

Attachment

"STOCKTON, CALIFORNIA'S SUNRISE SEAPORT"



**Agreement For  
Property Tax Allocation Upon Annexation**

AGREEMENT entered into this 6th day of August 1996 by and between the Cities of Escalon, Lodi, Manteca, Ripon, Stockton, and Tracy, hereinafter referred to individually as "CITY" and collectively as "CITIES", and the County of San Joaquin, hereinafter referred to as "COUNTY";

**PREAMBLE:**

CITIES and COUNTY acknowledge that both CITIES and COUNTY have increasing service responsibilities with restrained revenue resources. There is no consensus between CITIES and COUNTY regarding the analysis of local government funding issues arising from annexations. CITIES and COUNTY each have their own distinctive and differing perspectives on costs and revenues generated by annexed areas. However, there is a statutory requirement for a Property Tax Allocation Agreement for the Local Agency Formation Commission to annex land.

**WITNESSETH:**

WHEREAS, Article 13A, Section 1 of the Constitution of the State of California limits ad valorem taxes on real property to one percent (1%) of full cash value; and

WHEREAS, Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code (Sections 95 et. seq.) provides for the allocation of property tax revenues; and

WHEREAS, CITIES and COUNTY must have an agreement for the allocation of property tax revenues upon annexation.

NOW, THEREFORE, in consideration of the premises and the following terms and conditions, the parties hereto agree as follows:

1. **DEFINITIONS.** The words and phrases in this Agreement shall have meanings as set forth below:

- A. "Annexation Property Tax Base" shall mean the Base Year sum of the ad valorem tax allocated to Detaching Special Districts, as defined herein, and to COUNTY within the area being annexed.
- B. "Detaching Special Districts" shall mean those political subdivisions organized pursuant to the laws of the State of California whose functions within the area being annexed are terminated and/or assumed by CITY.
- C. Detachment shall mean the removal from a special district of any portion of the territory of that special district.
- D. "Agreed Ratio" shall mean the ratio of 10% CITY and 90% COUNTY.
- E. "Base Year" shall mean the assessed valuation applicable to the property and improvements within the area being annexed at the time the application for annexation is submitted to the Local Agency Formation Commission (LAFCO).
- F. "Incremental Growth" shall mean the total increase or decrease in the property tax base over the base year within the annexed area.

2. **PROPERTY TAX ALLOCATION.**

Upon each annexation, property tax allocation shall be determined pursuant to one of the following provisions:

- A. Annexations that involve Detachment from a fire district. CITY and COUNTY shall, upon each annexation that, in whole or in part, involves Detachment from a fire district, share in the Annexation Property Tax Base and all Incremental Growth thereof pursuant to the Agreed Ratio for all portions of the annexation that involve Detachment from a fire district.
- B. Annexations that do not involve Detachment from a fire district. COUNTY shall, upon each annexation that, in whole or in part, does not involve Detachment from a fire district, receive the Annexation Property Tax Base and Incremental Growth thereof for all portions of the annexation that do not involve Detachment from a fire district.

- C. Annexations by the cities of Ripon and Escalon. Notwithstanding Subsections 2A and 2B, if the current population of the city is 20,000 or less, based on the most recent estimates published by the California State Department of Finance, property tax allocation for annexations conducted by the cities of Ripon and Escalon shall be determined by this Subsection, subject to the exclusion provided in Subsection 5C. CITY and COUNTY shall, upon each annexation, share in the Annexation Property Tax Base and all Incremental Growth thereof pursuant to the ratio of 36.6% CITY and 63.4% COUNTY.
- D. Annexation by the City of Tracy of Northeast Industrial and Elissagaray Estates areas. Notwithstanding Subsections 2A and 2B, property tax allocation for annexations to the City of Tracy of the Northeast Industrial area and the Elissagaray Estates area shall be determined by this Subsection. CITY and COUNTY shall, upon each annexation, share in the Annexation Property Tax Base and all Incremental Growth thereof pursuant to the ratio of 20% CITY and 80% COUNTY.
- E. Annexation by the City of Manteca of Austin Road North and Austin Road South areas. Notwithstanding Subsections 2A and 2B, property tax allocation for annexations to the City of Manteca of the Austin Road North area and the Austin Road South area shall be determined by this Subsection. CITY and COUNTY shall, upon each annexation, share in the Annexation Property Tax Base and all Incremental Growth thereof pursuant to the ratio of 20% CITY and 80% COUNTY.

### 3. APPLICATION OF AGREEMENT.

- A. Term. The provisions of this Agreement shall apply to all pending and future annexations as of June 16, 1996 and for a period of seven (7) years until June 15, 2003, unless otherwise terminated under Section 7.
- B. Effective date. The effective date of property tax allocation for each annexation shall be determined in accordance with Government Code Section 54902 and any succeeding statutory provisions. As of June 16, 1996, statements regarding the completion of annexations must be filed on or before December 1 of the year immediately preceding the year in which property taxes are to be shared.

- C. Future property taxes. The provisions of this Agreement would also apply to any property exempt from ad valorem taxes which subsequently became taxable within the area to be annexed.

#### 4. JOINT REVIEW.

CITIES and COUNTY may jointly review COUNTY property tax records from time to time or as requested by CITIES to verify accurate distribution under the Agreement.

#### 5. EXCLUSIONS.

- A. The Agreement will not apply to proposed annexations areas where the COUNTY is currently receiving transient occupancy tax revenues. Annexation agreements for areas where the COUNTY is currently receiving TOT revenues will be individually negotiated between the COUNTY and CITY to address the potential TOT loss to the COUNTY.
- B. The Agreement will not apply to proposed annexation areas where gross taxable sales, subject to sales and use taxes, exceed \$1 million in the most recent year that taxable sales data is available from the State Board of Equalization or any other State successor organization that may provide taxable sales information. Annexation agreements for areas containing over \$1 million in taxable sales will be individually negotiated between the COUNTY and CITY to address the potential sales and use tax loss to the COUNTY.
- C. The provisions of Subsection 2C will not apply to proposed annexations by cities with a population of 20,000 or less, when an annexation involves over 150 acres. Agreements for annexations of over 150 acres will be individually discussed between the COUNTY and the proposing City to assess whether a different revenue sharing arrangement should be considered.
- D. The Agreement will not apply to annexations by any CITY that declines to approve this Agreement, jointly recommended by the City Managers and the County Administrator, within 60 calendar days of the date that the Board of Supervisors approves the Agreement.

#### 6. REGIONAL COOPERATION.

In consideration of the unique and mutual funding difficulties of both CITIES and COUNTY, CITIES and COUNTY will jointly develop and seek to implement changes in their activities which will improve the cost effectiveness of service delivery by both CITIES and COUNTY, including but not limited to consolidation of services between governmental agencies and inter-agency contracting for services.

#### 7. TERMINATION.

This Agreement may be terminated, by any party hereto, upon 6 months written notice which termination shall terminate the agreement for each and every party. Said termination shall not affect annexations for which the LAFCo Executive Officer has issued a certificate of filing prior to the end of the 6 month termination period.

#### 8. GOVERNING LAW AND ATTORNEYS' FEES.

This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party because of any default under this Agreement or to enforce any provision of this Agreement, or to obtain a declaration of rights hereunder, the prevailing party shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court. The standard of review for determining whether a default has occurred under this Agreement shall be the standard generally applicable to contractual obligations in California.

#### 9. NOTICES.

Any notice of communication required hereunder among CITIES and COUNTY must be in writing, and may be given either personally, by telefacsimile (with original forwarded by regular U.S. Mail) or by Federal Express or other similar courier promising overnight delivery. If personally delivered, a notice or communication shall be deemed to have been given and received when delivered to the party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on

the next normal business day. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Such notices or communications shall be given to the parties at their addresses set forth below:

**To CITIES (City Managers):**

City of Escalon  
Thom Clark  
P. O. Box 248  
Escalon, CA 95329  
Telefacsimile: (838-8045)

City of Lodi  
H. Dixon Flynn  
City Hall  
P. O. Box 3006  
Lodi, CA 95241-1910  
Telefacsimile: 333-6807

City of Manteca  
Leticia Espinoza  
City Hall  
1001 West Center  
Manteca, CA 95336  
Telefacsimile: 825-2333

City of Ripon  
Leon Compton  
City Hall  
259 N. Wilma  
Ripon, CA 95366  
Telefacsimile: 599-2685

City of Stockton  
Dwane Milnes  
City Hall  
425 N. El Dorado St.  
Stockton, CA 95202  
Telefacsimile: 937-7149

City of Tracy  
Fred Diaz  
City Hall  
325 E. 10th Street  
Tracy, CA 95376  
Telefacsimile: 831-4110

**With Copies To (City Attorneys):**

City of Escalon  
Jim Fonda  
P. O. Box 248  
Escalon, CA 95320  
Telefacsimile: 847-4253

City of Lodi  
Randall Hays  
City Hall  
P. O. Box 3006  
Lodi, CA 95241-1910  
Telefacsimile: 333-6807

City of Manteca  
John Brinton  
McFall, Burnett & Brinton  
165 St. Dominic Drive, Suite 202  
Manteca, CA 95337  
Telefacsimile: 823-7651

City of Ripon  
Tom Terpstra  
City Hall  
259 N. Wilma  
Ripon, CA 95366  
Telefacsimile: 599-2685

City of Stockton  
R. Thomas Harris  
City Hall  
425 N. El Dorado St.  
Stockton, CA 95202  
Telefacsimile: 937-8898

City of Tracy  
Debra Corbett  
City Hall  
325 E. 10th Street  
Tracy, CA 95376  
Telefacsimile: 831-4153

To COUNTY  
(County Administrator):

David L. Baker  
Courthouse, Room 707  
222 E. Weber Avenue  
Stockton, California 9520  
Telefacsimile: (209) 468-2875

With Copies To  
(County Counsel):

Terrence R. Dermody  
Courthouse, Room 711  
222 E. Weber Avenue  
Stockton, California 95202  
Telefacsimile: (209) 468-2875

Any party hereto may at any time, by giving ten (10) days written notice to the other parties, designate any other address or facsimile number in substitution of the address or facsimile number to which such notice or communication shall be given.

#### 10. SEVERABILITY.

If any provision of this Agreement is held invalid, void, or unenforceable but the remainder of this Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended by mutual consent of the parties. Notwithstanding this severability clause, each subsection of Section 2. Property Tax Allocation and Section 5. Exclusions, is material and substantial and the failure of said subsection is the failure of material consideration, causing the agreement to be void from the date that the subsection is held invalid.

#### 11. FURTHER ASSURANCES.

Each party shall execute and deliver to the other party or parties all such other further instruments and documents and take all such further actions as may be reasonably necessary to carry out this Agreement and to provide and secure to the other party or parties the full and complete enjoyment of its rights and privileges hereunder.

#### 12. CONSTRUCTION.

All parties have been represented by counsel in the preparation of this Agreement and no presumption or rule that ambiguity shall be construed against a drafting party shall apply to interpretation or enforcement hereof. Captions on sections and subsections are provided



for convenience only and shall not be deemed to limit, amend, or affect the meaning of the provision to which they pertain.

13. OTHER MISCELLANEOUS TERMS.

The singular includes the plural; the masculine gender includes the feminine, "shall" is mandatory; "may" is permissive.

14. TIME.

Time is of the essence of each and every provision hereof.

15. COUNTERPART.

This agreement may be executed in counterpart agreements, binding each executing party as if said parties executed the same agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement

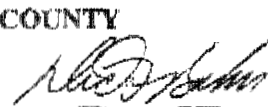
Recommended:


As To Form:


Execution:


Attest:

COUNTY

  
 David L. Baker  
 County Administrator

  
 Terrence R. Dermody  
 County Counsel


  
 Robert J. Cabral  
 Board of Supervisors


  
 Lois M. Sahyoun, Clerk  
 Board of Supervisors

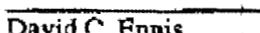
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CITIES

Escalon

  
 Thom Clark  
 City Manager

  
 James Fonda  
 City Attorney

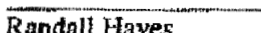
  
 David C. Ennis  
 Mayor

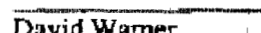
  
 Karen Dodd  
 City Clerk

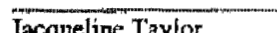
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Lodi

  
 H. Dixon Flynn  
 City Manager

  
 Randall Hayes  
 City Attorney

  
 David Warner  
 Mayor

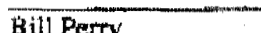
  
 Jacqueline Taylor  
 City Clerk

Date: \_\_\_\_\_

Manteca

  
 Leticia Espinoza  
 Acting City Manager


  
 John Brinton  
 City Attorney

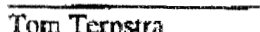
  
 Bill Perry  
 Mayor

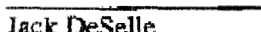
  
 Joann Tilton  
 City Clerk

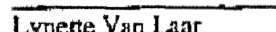
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Ripon

  
 Leon Compton  
 City Administrator

  
 Tom Terpstra  
 City Attorney


  
 Jack DeSelle  
 Mayor

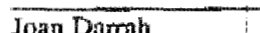
  
 Lynette Van Laar  
 City Clerk


Date: \_\_\_\_\_

Stockton

  
 Dwane Milnes  
 City Manager

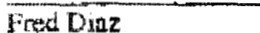
  
 R. Thomas Harris  
 City Attorney

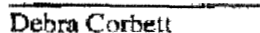
  
 Joan Darrah  
 Mayor

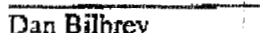
  
 Katherine Gong Meissner  
 City Clerk


Date: \_\_\_\_\_

Tracy

  
 Fred Diaz  
 City Manager

  
 Debra Corbett  
 City Attorney

  
 Dan Bilbrey  
 Mayor

  
 Sharon Smith  
 City Clerk

Date: \_\_\_\_\_

DB07-21A

Annexation Agreement—San Joaquin County

-9-

7/31/96